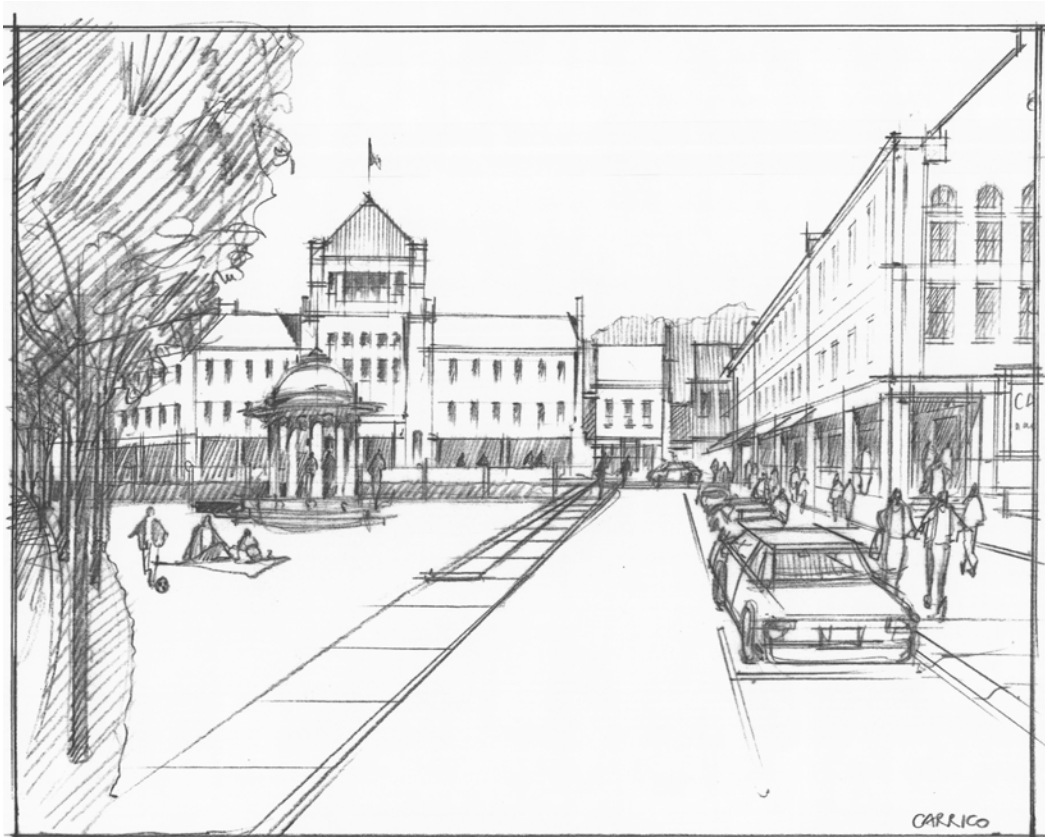




**City of Greensboro**

# **Urban Development Investment Guidelines**

For evaluating development and redevelopment projects in downtown and reinvestment areas and corridors that have requested City participation.



## **Purpose of the Urban Development Investment Guidelines**

On May 6, 2003, the Greensboro City Council adopted the *Connections 2025 Comprehensive Plan*. This plan provides a goals and policy framework for the future development of the City. As a part of this future vision, the Plan recommends intensification of development within the central business district and identified reinvestment corridors and areas.

These **Urban Development Investment Guidelines** have been prepared as part of the City's effort to promote high quality urban developments that meet the community's intended vision. By implementing these Guidelines, the City hopes to provide prospective developers with a consistent and dependable set of criteria that will be used in evaluating how closely proposed development projects meet the City's development goals. In addition, these Guidelines establish how project risks and returns to the City will be reviewed and evaluated.

These Guidelines do not establish an entitlement program. The provision of financial assistance, in any form, is solely at the discretion of City Council. Council may waive or modify any aspect of these Guidelines and determine levels of assistance to be provided, as it deems appropriate.

## **Eligible Projects**

To be eligible for any funding assistance connected with these Guidelines, projects must meet all of the following:

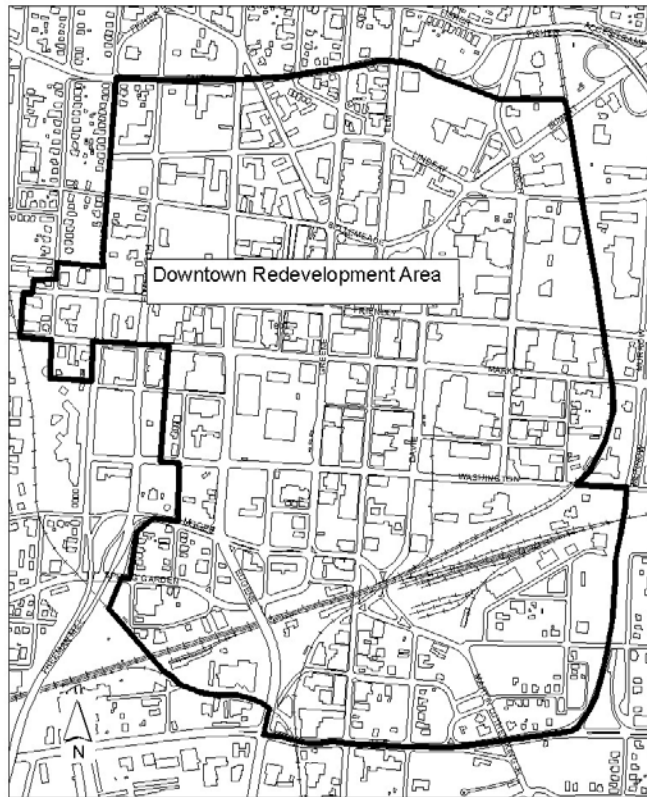
1. Located within the corporate limits of Greensboro
2. Located within either the downtown area, reinvestment areas, or reinvestment corridors as shown on the enclosed maps
3. Meet the following minimum investment thresholds:
  - 3.1. Downtown projects - \$1,500,000
  - 3.2. Reinvestment areas and corridors - \$500,000
4. Must not also be applying for assistance through the City's Economic Development Incentive Program or Targeted Loan Pool Program
5. Must agree to follow City M/WBE Program for any public infrastructure improvements funded with City assistance

## Eligible Areas Description

The **Urban Development Investment Guidelines** are targeted to new development and redevelopment projects within the downtown redevelopment area and zones identified in *Connections 2025* as reinvestment areas and corridors. These areas represent priority opportunities for combined private and public sector reinvestment. The intent in these areas is to promote the redevelopment of underutilized, outdated properties and the filling in of vacant sites, thereby creating more economically and socially vibrant communities. A strong preference is given to *catalyst* projects that stimulate the private market and encourage the mixing and diversification of uses as a means to a more efficient and sustainable development pattern.

### **Downtown Redevelopment Area**

The Downtown Redevelopment Area, as currently adopted and including areas that may be added to the redevelopment area by future amendments, currently covers roughly 500 acres as shown on Exhibit A. Within this area, the City is looking for unique projects that promote reinvestment, preservation, diversification, and selective intensification of activity that reinforces its importance as the economic, cultural, and civic center of the City.



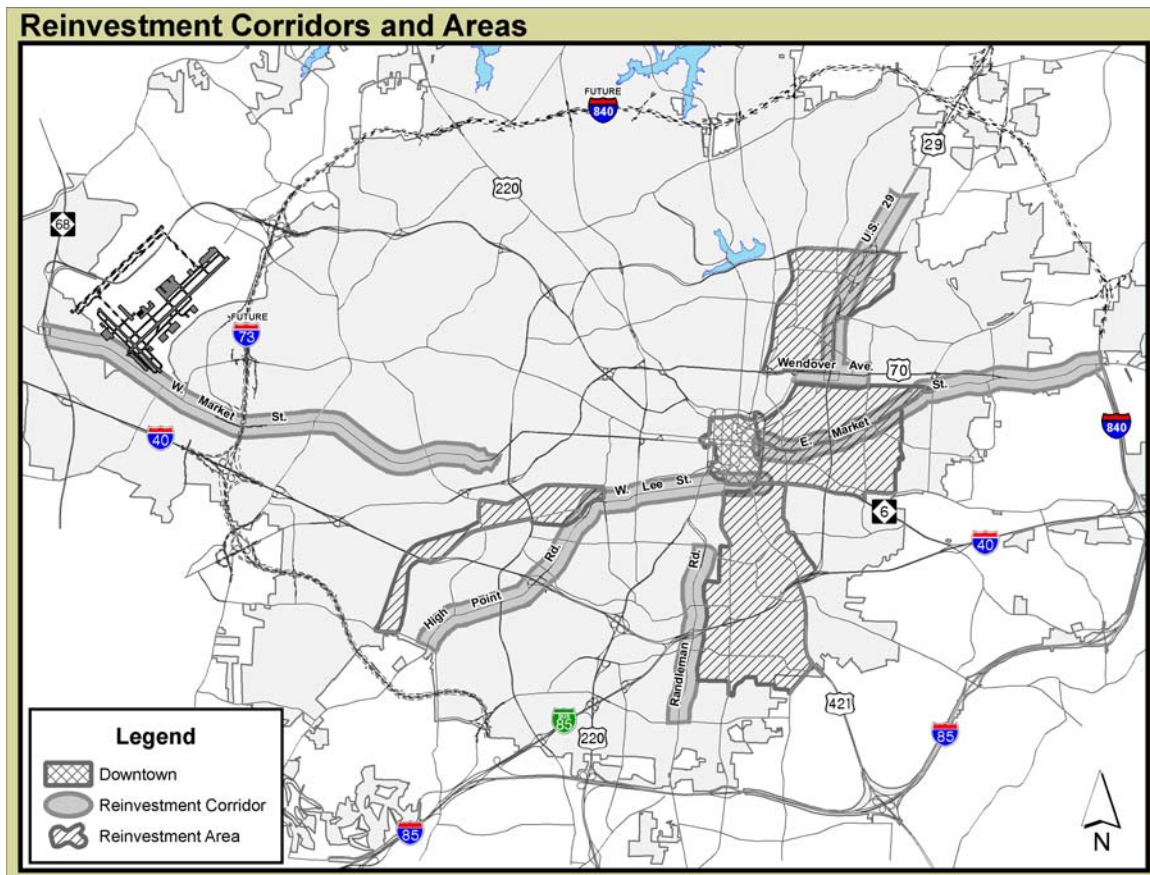
***Exhibit A – Downtown Area***

### **Reinvestment Areas**

Reinvestment areas include currently designated Redevelopment Areas and additional locations identified in *Connections 2025* as Reinvestment Opportunity Areas, as shown below. These are mostly older neighborhoods and industrial sections of east Greensboro that are in need of private investment. A focus within these areas is to return business, community services, and housing choices to sections of the City that are currently underserved.

### **Reinvestment Corridors**

*Connections 2025* identified eight Reinvestment Corridors for public and private sector investment, as shown below. These are primarily older commercial corridors along major thoroughfares. Within these corridors, the City is looking for private initiatives that promote reuse of existing buildings and new infill development that enhances economic viability and strengthens adjacent neighborhoods.



***Exhibit B - Reinvestment Areas and Corridors***  
(see Attachment 1 for more detailed maps)

## Use of the Urban Development Investment Guidelines

The Urban Development Investment Guidelines provide a mechanism for the City to use in evaluating the strengths and weaknesses of private development projects proposed within the identified priority areas. Well planned and clearly financed proposals will receive priority for assistance over proposals that offer unclear development objectives and unknown risks. Once financial risk is determined, the quality, creativity, and sustainability of the proposed development product is also evaluated.

The following is a list of possible uses of City assistance. Infrastructure assistance is the preferred method of assisting urban development projects since the City is normally the provider of these facilities and services. Other forms of assistance may be proposed where infrastructure assistance alone is not sufficient and will be considered based on the merits of the proposal:

### **Eligible Uses of City Assistance**

1. Infrastructure upgrades (water, sewer, storm sewer and streets)
2. Provision of off-street parking
3. Streetscape improvements
4. Purchase of land/reduce cost of land
5. Environmental site assessment
6. Site preparation
7. Affordable housing assistance

The decision to invest or not to invest shall be at the sole discretion of City Council. In circumstances determined to be justified and appropriate, the City Council may vary from these Guidelines, regardless of whether or not a project meets these Guidelines.

Projects meeting the minimum thresholds established herein will also be eligible for the City's "Rapid Review Process". Through this process, Department Heads from all Departments involved in the City Economic Development Review Team meet to expedite the approval process.

## Application Requirements

Developers requesting City assistance through the Urban Development Investment Guidelines should submit an application with the basic elements listed below. Other items may be requested by the City following an initial review of the application.

1. **Proposal Letter** – signed by the principal or chief operating officer of the development entity. The letter should describe the proposed project scope, including range of uses, amount of investment, uniqueness of the project, barriers that need to be overcome, funding gap requiring City assistance, and timeframe for the project. The letter or attachments should also indicate

financial commitments that are in place for the project and the level of experience of the development team.

2. **Independent Financial Analysis** – prepared by an independent economic development professional or economist. This analysis will present and review the project development and operating proformas against local and regional market conditions and provide assessment of any conditions or issues that may impact viability of the project.
3. **Completed Urban Development Investment Guidelines Criteria Forms** – Developers will submit their self-assessment, including Part 1 for all projects and either Part 2 or Part 3 depending on the location of the project.
4. **Site and Building Plans** – Conceptual site plan and building elevation plans sufficient to show the design and construction intent of the project.

## Application Review Process

Following receipt and acceptance of a completed application, the City will schedule a meeting with the applicant to discuss the project and identify any additional information needed. Following this meeting, City staff will undertake an analysis of the request for assistance, including review of the independent financial analysis and self assessment and develop a recommendation for City Council consideration.

Applicants receiving City Council approval will enter into a performance-based development agreement with the City that will include benchmarks for receipt of assistance and requirements for reporting the progress of the development project.

## Priority and Criteria Listing

The following objectives and evaluation criteria provide a consistent framework for evaluating development projects. Further refinement of these criteria is likely as experience is gained in its use.

The criteria are divided into three parts. **Part 1** evaluates the estimated risks and financial returns of the proposal and is to be completed for all projects covered by this policy. **Part 2** is to be used for project proposals within the downtown redevelopment area and assesses the likely impact of the project on the downtown environment. **Part 3** provides a similar analysis of projects proposed in reinvestment areas and corridors.

# Urban Development Investment Guidelines

For projects requesting City participation

**Project:** \_\_\_\_\_

## Scoring Summary

<i>Criteria</i>	<i>Score</i>	<i>Comments</i>
<b>Part 1 - All Projects</b>		
<i>Priority 1-A: Viability and Need for Public Assistance</i>		
<i>Priority 1-B: Return on Investment</i>		
<b><i>Priority 1 Sub-total</i></b>		
<i>Minimum Part 1 Threshold Score for Consideration</i>	<b>75</b>	
<b>Part 2 - Downtown Projects</b>		
<i>Priority 2-A: Catalyst Projects</i>		
<i>Priority 2-B: Intensification and Diversification of Uses</i>		
<i>Priority 2-C: High Quality and Sustainable Development</i>		
<b><i>Priority 2 Sub-total</i></b>		
<i>Minimum Part 2 Threshold Score for Consideration</i>	<b>50</b>	
<b>Part 3 - Reinvestment Area and Corridor Projects</b>		
<i>Priority 3-A: Catalyst Projects</i>		
<i>Priority 3-B: Intensification and Diversification of Uses</i>		
<i>Priority 3-C: High Quality and Sustainable Development</i>		
<i>Priority 3-D: Increase Public Safety by Redeveloping High Crime Zones</i>		
<b><i>Priority 3 Sub-total</i></b>		
<i>Minimum Part 3 Threshold Score for Consideration</i>	<b>50</b>	
<b><i>OVERALL SCORE</i></b>		

*Summary description of project benefits and issues:*

# Urban Development Investment Guidelines

## Criteria Details

**Project:** \_\_\_\_\_

### ***Part 1 - For all projects requesting City participation:***

<i>Criteria</i>	<i>Score</i>	<i>Comments</i>
<b><i>Priority 1-A: Viability and Need for Public Assistance</i></b>		
<i>( up to 10 points each)</i>		
1. Independent analysis demonstrates viability of project		
2. “But for” financial analysis demonstrates need for assistance. - less than 10% return on investment to developer <i>(10 points)</i> - 10 to 20% <i>(5 points)</i> - greater than 20% <i>(0 points)</i>		
3. Demonstrates ability to pay private debt service. With City assistance, project provides private debt coverage ratio of: - 1.25 or more to 1 <i>(10 points)</i> - 1.1 – 1.25 to 1 <i>(5 points)</i> - 1.1 or less to 1 <i>(0 points)</i>		
4. Clearly documented financial commitments		
5. Debt coverage ratio of any public debt issued to fund the project - 1.25 or greater <i>(10 points)</i> - 1.1 to 1.25 <i>(5 points)</i>		
6. Developer, or development partner, has experience successfully developing similar projects		
7. Developer equity in project, including cash and basis in property - 20% or more <i>(10 points)</i> - 10% to 20% <i>(5 points)</i> - Less than 10% <i>(0 points)</i>		
<b><i>Priority 1-A Score</i></b>		



# Urban Development Investment Guidelines

## Criteria Details

**Project:** \_\_\_\_\_

### ***Part 1 - For all projects requesting City participation: (con't)***

<b><i>Priority 1-B: Return on Investment</i></b>		
	<i>(up to 10 points each)</i>	
1. Creates one or more permanent jobs per \$50,000 of City assistance		
2. Tax increment revenue, based on current rate, exceeds City assistance - within 5 years <i>(10 points)</i> - within 15 years <i>(6 points)</i> - within 20 <i>(3 points)</i>		
3. Increases the tax base of the property being redeveloped - 250% or more <i>(10 points)</i> - 150% to 250% <i>(5 points)</i> - 100% to 150% <i>(0 points)</i>		
<b><i>Priority 1-B Score</i></b>		
<b><i>Priority 1-A &amp; 1-B Total Score</i></b>		
<b><i>Minimum Part 1 Threshold Score for Consideration</i></b>	<b>75</b>	

***Other comments on financial viability, risks and returns of this request:***

# Urban Development Investment Guidelines

## Criteria Details

**Project:** \_\_\_\_\_

### ***Part 2 - Additional Criteria for projects proposed in Downtown area:***

<i>Criteria</i>	<i>Score</i>	<i>Comments</i>
<b><i>Priority 2-A:Catalyst Projects</i></b>		
<i>( up to 10 points each)</i>		
1. Corporate headquarters and other significant office space projects greater than 50,000 square feet		
2. Unique project for downtown – ex: Elon Law School, downtown hotel		
3. Retail use exceeding 15,000 square feet		
4. New or adaptive reuse housing construction of 30 or more housing units		
5. Regional draw due to uniqueness of use		
6. Appropriate rehabilitation of contributing building in a designated historic district or individually listed historic property		
<b><i>Priority 2-A Score</i></b>		
<b><i>Priority 2-B:Intensification and Diversification of Uses</i></b>		
<i>(up to 5 points each)</i>		
1. Project is mixed-use		
2. Commercial space is provided on first floor		
3. Eliminates a blighted property		
4. Reuses a vacant or underutilized property		
<b><i>Bonus Points</i></b>		
<i>( 1 point each)</i>		
a: Provides rental apartments		
b: Provides workforce housing		
<b><i>Priority 2-B Score</i></b>		

# Urban Development Investment Guidelines

## Criteria Details

**Project:** \_\_\_\_\_

### ***Part 2 - Additional Criteria for projects proposed in Downtown area:(con't)***

<i>Criteria</i>	<i>Score</i>	<i>Comments</i>
<b><i>Priority 2-C: High Quality and Sustainable Development</i></b>		
( Up to 5 points each)		
1. Development of an environmentally impaired site		
2. Greater than 50% of 1 <sup>st</sup> floor frontage is transparent windows		
3. Provides enclosed off-street parking hidden from street view		
4. High quality and generally compatible architectural design and materials		
<b><i>Bonus Points</i></b> ( 1 point each)		
a: Project has obtained a LEED designation indicating high level of sustainability in design and construction		
b: Approved deconstruction techniques for demolition work		
c: Creates or enhances downtown parks, plazas or greenways		
d: Adds street activity, such as outdoor eating areas or public art space		
e: Accommodations for bike racks, transit shelters and other pedestrian amenities		
<b><i>Priority 2-C Score</i></b>		
<b><i>Priority 2A-2C Total Score</i></b>		
<b><i>Minimum Part 2 Threshold Score for Consideration</i></b>	<b>50</b>	

***Other comments on unique design and development aspects of this request:***

# Urban Development Investment Guidelines

## Criteria Details

**Project:** \_\_\_\_\_

### ***Part 3 - Additional Criteria for projects proposed in Reinvestment Areas and Corridors:***

<i>Criteria</i>	<i>Score</i>	<i>Comments</i>
<b>Priority 3-A: Catalyst Projects</b>		
<i>(up to 10 points each)</i>		
1. Significant office space projects greater than 30,000 square feet		
2. Renovation and reuse of existing retail and industrial buildings exceeding 30,000 square feet		
3. New or adaptive reuse housing construction of 50 or more units		
4. Extent market is already supporting similar projects in the area - No other similar projects in area (10 points) - One other similar project (5 points) - Multiple similar projects (0 points)		
5. Appropriate rehabilitation of contributing building in a designated historic district or individually listed historic property		
<b>Priority 3-A Score</b>		
<b>Priority 3-B: Intensification and Diversification of Uses</b>		
<i>(up to 5 points each)</i>		
1. Project is mixed-use		
2. Project promotes compact, efficient development - Residential components at an average density of at least 7 units/acre - Commercial components at an avg. floor area ratio of 0.50 or greater		
3. Provides neighborhood businesses and services to underserved areas - without these services within 1 mile radius (5 points), or - without these services within ½ mile radius (2 points)		
4. Eliminates a blighted property - project site is blighted (5 points), or - other blighted properties within ¼ mile radius (2 points)		
5. Reuses a vacant or underutilized property		
<b>Bonus Points</b> <i>(1 point each)</i>		
a: Provides housing unit sizes and types not found in area		
b: Provides mixed-income housing		
<b>Priority 3-B Score</b>		

# Urban Development Investment Guidelines

## Criteria Details

**Project:** \_\_\_\_\_

### ***Part 3 - Additional Criteria for projects proposed in Reinvestment Areas and Corridors:***

<b>Criteria</b>	<b>Score</b>	<b>Comments</b>
<b><i>Priority 3-C: High Quality and Sustainable Development</i></b>		
(up to 5 points each)		
1. Development of an environmentally impaired site		
2. Compatible with surrounding developments or with objectives contained in an adopted neighborhood, corridor or activity center plan		
3. Adds pedestrian amenities, such as 1st floor retail, outdoor eating areas, connected sidewalks, street trees, on-street parking, and public art space		
4. Provides connected and shared access and parking areas		
5. Provides additional off-street parking screened from street view		
6. High quality and generally compatible architectural design and materials		
<b><i>Bonus Points</i></b> (1 point each)		
a: Project has obtained a LEED designation indicating high level of sustainability in design and construction		
b. Approved deconstruction techniques for demolition work		
c: Creates or enhances neighborhood parks, plazas or greenways		
d: Accommodations for bike racks and transit shelters		
e: Removes non-compliant signage		
<b><i>Priority 3-C Score</i></b>		
<b><i>Priority 3-D: Increase Public Safety by Redeveloping High Crime Zones</i></b>		
(up to 5 points)		
1. Level of crime rate in area compared to City average - Crime rate greater than 110% of City average (5 points) - Crime rate 100% to 110% of City average (2 points) - Crime rate less than 100% of City average (0 points)		
<b><i>Priority 3-D Score</i></b>		
<b><i>Priority 3A–3D Total Score</i></b>		
<b><i>Minimum Part 3 Threshold Score for Consideration</i></b>	<b>50</b>	

***Other comments on unique design and development aspects of this request:***

## Definitions

**Blighted Property** – As defined by NC Redevelopment Statutes, shall include properties that, by reason of dilapidation, deterioration, age or obsolescence, inadequate provision of ventilation, light, air, sanitation, or open spaces, high density of population and overcrowding, unsanitary or unsafe conditions, or the existence of conditions which endanger life or property by fire and other causes, impairs the sound growth of the community.

**“But For” Proforma Analysis** – Presentation of a project development and operating proforma identifying all sources and uses of funds and rates of return in sufficient detail to explain what portion of the funding sources are not obtainable from private sources if a reasonable rate of return on investment is to be achieved.

**Catalyst Project** – A proposed development project that, because of its size, location, unique uses, or ability to attract new jobs, is likely to stimulate significant additional development activity.

**Crime Rate** – The Index Crime Rate as reported by the City of Greensboro Police Department, which is inclusive of violent and property crimes.

**Debt Coverage Ratio** – A measure of an income producing property’s ability to cover the monthly mortgage payments. Calculated by dividing the net operating income (NOI) by a property’s annual debt service.

**Deconstruction Techniques** – Deconstruction is the process of building disassembly in order to recover and recycle materials for their highest and best re-use. Deconstruction reduces the volume of materials that end up in public landfills and protects the natural environment.

**Developer Equity** – Funding sources provided by the individual investors and not subject to scheduled payback from project revenues. Should be real dollars contributed to the project, including cash and basis in property. Loans, personal guarantees, deferred fees, etc. are not considered developer equity for these purposes.

**Downtown Redevelopment Area** – Area of downtown designated by the Redevelopment Commission of Greensboro according to NC Redevelopment Statutes, and including any additional areas added to the Downtown Redevelopment Area by future amendment.

**High Quality and Generally Compatible Architectural Design and Materials** – The City is seeking well designed proposals that meet the user’s needs, understand and respond to its context, enhance the surrounding area, and are built to last. Architectural features should enhance the street environment and building materials should be high quality and durable. Siting of buildings should promote pedestrian-oriented streets.

**Job Creation** – To be considered as a newly created job, the applicant will need to demonstrate that the business being proposed is a new operation coming to Greensboro or an expansion of an existing business operation already located in the City. Only permanent jobs are counted, not jobs related to construction, seasonal, or short-term employment.

**LEED Designation** – As established by the US Green Building Council, refers to buildings and developments that have been certified under one of the LEED designations, including LEED-NC (New Construction), LEED-EB (Existing Buildings), LEED-H (Homes), and LEED-CS (Core and Shell). LEED certification generally means buildings are designed to be efficient to operate and utilize environmentally friendly materials and techniques in their construction

**Mixed-Use** – A project that combines a principal use, such as housing units with other different uses, such as commercial or office space. The principal use should not enclose more than 90% of the total square footage of the project.

**Public Art Space** – The provision of space in outdoor locations or in publicly accessible buildings that is designed for the presentation of public art, including statues, monuments, murals, non-figurative art, and including performing arts space. Public art may also be integrated with architecture and landscaping in the construction or renovation of buildings and sites.

**Tax Increment Revenue** – The amount of additional City tax revenues estimated to be generated by the new development over and above what the property is currently paying.

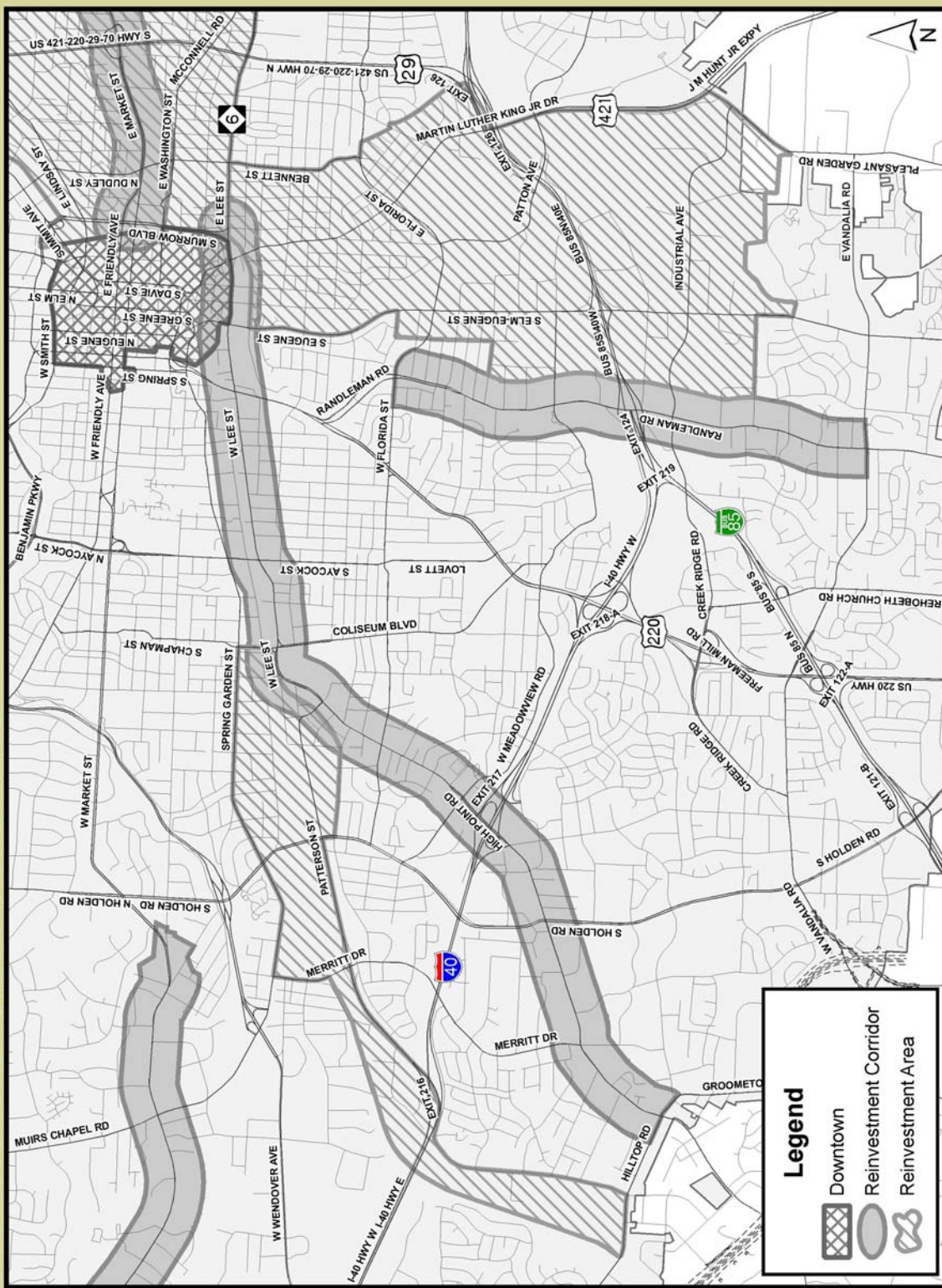
**Workforce Housing** – Conceptually defined as housing units affordable to the full range of individuals and families working within the area. For purposes of these Guidelines, units will meet this definition if they are affordable to families between 80% and 120% of the City's median family income, as established by the US Dept. of HUD each year.

## Reinvestment Corridors and Areas





# Reinvestment Corridors and Areas



# Reinvestment Corridors and Areas

